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"RECOVERY ACT: ONE YEAR PROGRESS REPORT"

**BEFORE THE
HOUSE SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION**

FEBRUARY 23, 2010

The Coast Guard thanks the Chairman and distinguished members of the Committee for the opportunity to provide an update on the Coast Guard's progress regarding funding received from the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5). The ARRA provided the Coast Guard with \$240 million to address critical priorities within our Alteration of Bridges Program and address critical projects for our shore infrastructure and our High Endurance Cutter fleet.

I. ALTERATION OF BRIDGES PROGRAM

The ARRA provided \$142,000,000 for alteration or removal of obstructive bridges, as authorized by section 6 of the Truman-Hobbs Act (33 U.S.C. 516).

ARRA funds allow for the completion of four projects to alter bridges found to be unreasonably obstructive to navigation. These construction projects offer numerous benefits: employment for the construction sector and local communities; long-term economic returns; and improved safety and efficiency on navigable waterways. Most significantly, the rebuilt bridges will enhance the safety of navigation by preventing allisions. For example, the Galveston Causeway Bridge has suffered at least 99 allisions over a 10 year period causing \$4.2 million in damages to both the bridge and vessels. The four bridges combined will see an \$18 million estimated annual navigational benefit from the improvements. Further, these projects leverage an additional \$120.4 million of previously obligated Bridge Alteration appropriations already allocated to these projects. As such, the ARRA appropriation is infusing \$262 million into the economies of four different states as well as national suppliers of equipment and materials associated with the projects.

Work has begun on three of the four Alteration of Bridges awards, and I anticipate a rapid escalation of project activity as spring approaches. The fourth bridge, Galveston, has experienced contracting challenges, which will be detailed below.

An update of the four bridge projects funded via the ARRA, including current status, follows:

1. Mobile Bridge (Mobile River), Alabama

- **Execution Strategy:** Competitive bid process.
- **Accomplishments to Date & Future Milestones.**
 - Original Contract award planned for by August 2009. Order of apportionment issued to the bridge owner on July 20, 2009.
 - Actual Contract awarded on August 20, 2009.
 - Construction completion is anticipated by August 2011.

2. Elgin, Joliet & Eastern (EJ&E) Bridge (Illinois Waterway), Illinois

- **Execution Strategy:** Competitive bid process.
- **Accomplishments to Date:**
 - Original Contract award planned for August 2009.
 - Order of apportionment issued to the bridge owner on September 21, 2009.
 - Actual Contract awarded on October 1, 2009
 - Construction completion is anticipated by October 2011.

3. Burlington Bridge (Upper Mississippi River), Iowa

- **Execution Strategy:** Competitive bid process.
- **Accomplishments to Date:**
 - Original Contract award planned for August 2009.
 - Order of apportionment issued to the bridge owner on July 20, 2009.
 - Actual Contract awarded on July 31, 2009
 - Construction completion is anticipated by August 2011.

4. Galveston Causeway Bridge (Gulf Intracoastal Waterway), Texas

- **Execution Strategy:** Competitive bid process.
- **Accomplishments to Date:**
 - On July 1, 2009, the Coast Guard authorized Galveston County to advertise bid solicitation.
 - Original contract award planned for by October 2009. A Letter of Intent was issued to the bridge owner on September 17, 2009.
 - The first bid process for the Galveston Bridge resulted in a lowest bid significantly higher than the estimated cost.
 - On October 14, 2009, the Galveston County Commissioners Court rejected all bids.
 - The project was re-advertised, with design changes, on December 29, 2010.
 - Bids are scheduled to be opened on February 25, 2010.
 - Anticipate awarding the contract in early April 2010.
 - Construction completion is anticipated by March 2012.

II. ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS (AC&I)

Of the \$98 million in ARRA funding appropriated for AC&I, \$88 million will be used for the construction, renovation, and repair of vital shore facilities that provide critical support necessary to execute a full range of mission needs. The remaining \$10 million will address High Endurance Cutter fleet Engineering Changes to support systems as well as safety, and environmental issues.

Shore Facility Projects:

The Coast Guard's ARRA Expenditure Plan from July 30, 2009 estimated that 14% of the \$88 million shore project allocation would be obligated through the first quarter of FY 2010, and we have met that target. Thus far, we have made three shore contract awards based on competitive small business set aside strategies. We plan to utilize this contracting method on all of the remaining shore projects.

A list of shore facility projects to be completed with ARRA funding is provided below.

1. Station Coos Bay, OR

- **Background:** This project will provide covered moorings for Coast Guard small boats. The existing covered mooring structure cannot accommodate the station's 47-foot Motor Lifeboats. Without adequate covered moorings, boat maintenance and operations are continually disrupted during periods of adverse weather.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met.
 - Initial phase of construction was awarded via a competitive small business set aside September 30, 2009.
 - Construction completion is anticipated by September 2011.

2. Coast Guard Cutter (CGC) Sycamore - Cordova, AK Housing

- **Background:** This project will complete the final phase of a housing project to construct 26 housing units. These units are required to support Coast Guard housing needs in Southeast Alaska.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met.
 - The Coast Guard exercised an option in May 2009 on the existing contract for Phase IV of the project. The original contract was awarded via a competitive small business set aside.
 - Construction completion is anticipated by March 2011.

3. Station Neah Bay, WA

- **Background:** This project will provide covered moorings for Coast Guard small boats. Without covered moorings, boat maintenance and operations are continually disrupted during periods of adverse weather.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met.
 - Initial construction contract was awarded in September 2009 via a competitive small business set aside.
 - Construction completion is anticipated by September 2011.

4. Support Center Elizabeth City, NC

- **Background:** This project will replace Thrun Hall (Barracks), Phase I. This barracks facility is functionally obsolete, has numerous code compliance discrepancies, is in poor condition, and is beyond rehabilitation. Due to its proximity to the airfield, the building violates FAA "object free zone" regulations for runways, and is subjected to 70dB Day-Night Average Sound Level noise from aircraft. Thrun Hall, Building 61, was constructed in 1966. Based on the age and regulations, it is not a potential candidate for rehab.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and NHPA Section 106 Finding of No Significant Impact are pending and will be finalized during February 2010.
 - Contract award is anticipated by July 2010.
 - Construction completion is anticipated by December 2011.

5. Station Indian River, DE

- **Background:** This project will provide waterfront bulkhead repairs and replacement for a Coast Guard small boat station.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met and there is no impact to historic resources.
 - Construction award is anticipated by July 2010.
 - Construction completion is anticipated by October 2011.

6. Training Center (TRACEN) Yorktown, VA

- **Background:** This project will upgrade the water distribution system for a large Coast Guard training campus to provide an ample potable water supply and a more efficient fire protection system to meet life-safety standards.
- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and NHPA Section 106 consultation have been initiated and will be completed by March 2010.
 - Contract for archeological survey of site designated for water main route awarded on August 19, 2009
 - Contract for water distribution system inside the gate anticipated for July 31, 2010.
 - Contract for water main upgrades outside the gate anticipated for August 15, 2010.
 - Construction/upgrade completion is anticipated by December 2011.

7. Group/Air Station North Bend, OR, ENG/AST Building

- **Background:** This project will demolish six maintenance-intensive and functionally obsolete buildings and replace with a single, multi-purpose facility. The Group and Facility Engineering offices are located in 33 year old "temporary" modular trailers that have far exceeded its economic life and therefore are not candidates for rehabilitation.

- **Execution Strategy:** Coast Guard management of design and construction.
- **Accomplishments to Date:**
 - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met and there is no impact to historic resources.
 - Contract awarded for Mechanical Engineer to support RFP development, October 20, 2009.
 - Construction project award anticipated August 31, 2010.
 - Construction completion is anticipated by December 2011.

High Endurance Cutter (WHEC) Engineering Changes:

Of the \$98 million appropriated in AC&I funding, \$10 million was provided to address auxiliary support systems, safety, and environmental issues for the 378' WHEC fleet. NEPA and NHPA Section 106 compliance is in progress and will be completed prior to the execution of funds.

We currently have active contract activity on four of the seven vessel projects, with all remaining contracts expected by May 2010.

A summary and update on vessel projects to be completed with ARRA funding is provided below:

1. Boiler Fireside Upgrades & Boiler Reliability Improvement

- **Background:** This project will replace boiler components on both ship's service boilers.
- **Eight Cutter installs planned:** Coast Guard Cutter (CGC) HAMILTON, DALLAS, BOUTWELL, GALLATIN, RUSH, MUNRO, JARVIS, and MIDGETT.
- **Accomplishments to Date:**
 - Delivery orders awarded for the first five vessels on September 29, 2009.
 - Projects completed on CGC HAMILTON, RUSH, and JARVIS
 - Remaining delivery orders anticipated to be awarded by April 2010.
 - Completion is anticipated by December 2010.

2. Automatic Bus Transfer Switch Upgrade

- **Background:** This project will replace the obsolete automatic bus transfer switches to improve electrical distribution reliability and safety.
- **Eight Cutter installs planned:** CGC MELLON, BOUTWELL, SHERMAN, GALLATIN, MORGENTHAU, MUNRO, JARVIS, and MIDGETT.
- **Accomplishments to Date:**
 - Contract award is anticipated for March 2010.
 - Completion is anticipated by July 2011.

3. Refrigeration System Upgrade

- **Background:** This project will replace unserviceable refrigeration boxes and improve the refrigeration system with an environmentally-approved refrigerant.
- **Four Cutter installs planned:** CGC MELLON, BOUTWELL, MORGENTHAU, and MIDGETT.

- ***Accomplishments to Date:***
 - Contract for Government Furnished Equipment awarded April 2009.
 - Anticipate contract award for installation February 2010.
 - Completion is anticipated by October 2010.
4. **4. Fire & Smoke Alarm System**
- ***Background:*** This project will replace an obsolete and unsupportable monitoring system, providing a more reliable remote sensing capability.
 - ***Six Cutter installs planned:*** CGC HAMILTON, DALLAS, CHASE, GALLATIN, RUSH, and JARVIS.
 - ***Accomplishments to Date:***
 - Anticipate contract award during March 2010.
 - Completion is anticipated by March 2011.
5. **Auxiliary Salt Water Pump Replacement**
- ***Background:*** This project will replace worn out and unsupportable equipment which provides cooling water to multiple auxiliary support systems.
 - ***Eight Cutter installs planned:*** CGC HAMILTON, DALLAS, CHASE, BOUTWELL, SHERMAN, GALLATIN, MORGENTHAU, and RUSH.
 - ***Accomplishments to Date:***
 - Contract for equipment awarded December 4, 2009.
 - Anticipate contract award for installation during February 2010.
 - Completion is anticipated by February 2011.
6. **Lube Oil Purifier Replacement**
- ***Background:*** This project will replace obsolete lube oil purifiers, which provide lube oil clarification and purification of the main propulsion diesel engines and the ship's service diesel electrical generators.
 - ***Four Cutter installs planned:*** CGC DALLAS, CHASE, MORGANTHAU, and MELLON.
 - ***Accomplishments to Date:***
 - Contract for equipment awarded October 30, 2009.
 - Anticipate contract award for installation during February 2010.
 - Completion is anticipated by January 2011.

CONCLUSION

Thank you for your continued support of the Coast Guard and for this opportunity to testify on Coast Guard projects funded by the Recovery Act. The funding provided through ARRA will make our waterways safer through improved bridge transits, improve operational safety on the High Endurance Cutter fleet, and reduce our critical shore infrastructure backlog, all while provided a boost to the economy and local communities. As these projects continue to mature, I anticipate a steady increase in the number of direct jobs being reported by the recipients.

Thank you for the opportunity to testify before you today. I am pleased to answer your questions.